



**Director of
Central
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POLAND: Pressure on Solidarity

Party leader Kania's attack yesterday on Solidarity, combined with rank-and-file pressure not to bow to the government, will stiffen the union leaders' posture in negotiations with the regime.

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Kania's call for a prohibition against strikes during the fall and winter in his speech to the party's Central Committee was partly for economic reasons. This proposal and the purge of liberals now under way, however, were also in response to hardline critics' demands that he act more forcefully against Solidarity.

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Union leaders will react vigorously to this unexpected strike ban and will view it as a major drawback in their economic talks with the government, which began on Thursday. As a matter of principle they would not risk the anger of the rank and file by surrendering--even for a short time--Solidarity's chief weapon. If the regime presses this issue--such a measure must be authorized by the parliament--Solidarity probably will feel compelled to follow through with its threatened general strike next week.

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This most explicit attack by Kania on the union will force its leaders to defend themselves against the charge of having political ambitions--something union moderates had tried to play down at the recent congress. Kania, seconded by Politburo member Olszowski, accused elements in Solidarity of wrecking the economy in order to take over political power.

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The rash of wildcat strikes and strike alerts in at least eight provinces over shortages of food, especially meat, will put pressure on Solidarity to avoid making concessions during the talks. The union is asking for increased control over the distribution, export, and rationing of food, and Solidarity's chief negotiator said that, unless the talks ended "satisfactorily," Solidarity would call the general strike. The government, meanwhile, yesterday rejected Solidarity's proposal for a government-union "social council" to oversee the economy.

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The government does not have the capability to increase food supplies and cover meat rationing commitments. Despite the recent procurement price hike, farmers have

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contracted to supply only about one-half as much meat to the state in the next three months as they did in the same period last year; they can get much higher prices in black market sales. In addition, the government's chronic problem in supplying farmers with coal in exchange for meat will become more difficult because of the drop in coal output resulting from the dispute between the government and the union over Saturday pay for miners.

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LEBANON: Leftist Attacks on the Government

The Muslim leftist National Movement is sharpening its attacks on the government in an apparent effort to broaden Muslim support for restructuring the Christian-dominated political system before the presidential election next summer.

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The three-week-old campaign initially focused--probably with Syrian collusion--on the government's reluctance to move boldly to implement the declarations of the Arab Conciliation Committee on severing Phalange ties with Israel and opening traffic crossings in Beirut. The principal target of the campaign has been Prime Minister Wazzan, the ranking Muslim in the government, who is especially vulnerable to Muslim criticism.

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Movement spokesmen, led by Communist Action Organization chief Muhsin Ibrahim, recently have shifted their attacks to more fundamental Muslim grievances, including Christian dominance of the 23,600-man Army, and have accused the government of siding with the Phalange on key issues. Some observers in Beirut believe, however, that Ibrahim's real goal is to use the attacks to launch the Movement's campaign for fundamental changes in Lebanon's current power-sharing arrangements as the presidential election approaches.

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Wazzan has obtained support from several old-line Sunni Muslim figures and Christian leaders. He has sought to deflect leftist criticism with personal statements supporting the reorganization of the Army and defending Palestinian claims that they should be exempt from any implementation of the Conciliation Committee's proposed ban on arms shipments through Lebanese ports.

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The National Movement's renewed attack on the government will aggravate longstanding confessional differences. If it continues, other major factions are likely to begin similar campaigns, focusing on their own basic grievances rather than on the more overriding problems of maintaining the cease-fire in Beirut and keeping the Arab conciliation process alive.

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WESTERN EUROPE: Disagreement on CSCE

Allied and neutral participants are urging the US to make concessions on human rights and security issues that are unresolved at the CSCE review session in Madrid. [REDACTED]

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The UK, speaking for the EC states at the North Atlantic Council meeting on Monday on CSCE strategy, said that the EC no longer believes the West should insist on a meeting of human rights experts after the review session in order to balance a conference on security issues. Norway believes that Western participants should be pleased with the human rights progress already achieved. Other allies consider that further human rights progress is possible without the link to security issues. [REDACTED]

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In addition, the EC states are anxious for the US to drop the word "continent" from its formulation of the area to be covered by a post-Madrid security meeting. They believe that it is too restrictive and is not needed to exclude the Azores from CSCE jurisdiction to protect Rapid Deployment Joint Task Force transit. Portugal has indicated that it considers "Europe" to include the Azores, whether or not the word "continent" is used in Madrid. [REDACTED]

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[REDACTED]

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The reliance on the EC--as opposed to the NATO--forum by the allies for coordination of Western positions on CSCE is increasing as they sense widening differences between themselves and the US. The allies hope to persuade Washington that Western unity can best be maintained in Madrid if the US is willing to make compromises that they believe are required to ensure that the CSCE process continues. [REDACTED]

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OPEC: Current Account Balances*Billion US \$*

	1980	1981 (estimated)	1982 (projected) ^a
OPEC	109	62	39
Algeria	2	-1	-1
Ecuador	^b	-1	-1
Gabon	1	^b	^b
Indonesia	4	2	-2
Iran	1	2	2
Iraq	7	-14	-11
Kuwait	14	11	9
Libya	9	-3	-1
Nigeria	5	-6	-6
Qatar	4	5	4
Saudi Arabia	50	56	39
United Arab Emirates	9	8	5
Venezuela	4	3	2

^a Based on a unified bench mark price of \$34 per barrel.^b Negligible.

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OPEC: Dwindling Current Account Surpluses

OPEC's current account surplus is likely to fall from \$110 billion in 1980 to about \$60 billion this year and \$40 billion in 1982. []

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The reduction will show up in improved current account balances among the OECD countries. What little relief the less developed countries are getting from stable oil prices is being lost to higher interest costs on their mounting foreign debt. []

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The organization's oil sales will decrease to about 20.5 million barrels per day this year, 9.3 million less than the record level of 1977 and 4.5 million below 1980. While Saudi Arabia maintains its exports at the level of 1980, Iran and Iraq together will export less than 2 million barrels per day--about half as much as in 1980--and other OPEC countries will export nearly 25 percent less than last year. Oil revenues, down \$25 billion, will be supplemented by \$40 billion in earnings on investments. []

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OPEC imports this year are likely to be \$155 billion, up 16 percent from 1980. Iraq has increased imports by using Kuwaiti ports and loans from Saudi Arabia, Kuwait, and the United Arab Emirates. []

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Nigeria, Libya, and Algeria continue high levels of purchases despite payments deficits. Nigeria in particular must curb imports soon to conserve foreign reserves. []

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GREECE: Election Preview

Andreas Papandreu's Socialists still have an even chance of unseating the center-right New Democracy in national elections tomorrow, even though the Socialists appear to have lost much of their momentum during the closing weeks of the campaign. New Democracy, led by Prime Minister Rallis, has recovered much of the ground it had lost to Papandreu because of a poorly organized start. The Socialists, nevertheless, attracted the larger crowds, and most of the opinion polls--although generally unreliable--still give them either a plurality or enough votes to obtain a parliamentary majority. [REDACTED]

President Karamanlis and other Greek observers believe that neither of the two major parties is likely to obtain the absolute majority--151 seats--needed to form a stable single-party government. In that event, Karamanlis would be required under the constitution to ask the leader of the party with the most seats to put together a minority or coalition government. The new government would face its first confidence vote within a few weeks after parliament convenes on 16 November. [REDACTED]

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TURKEY: Political Parties Dissolved

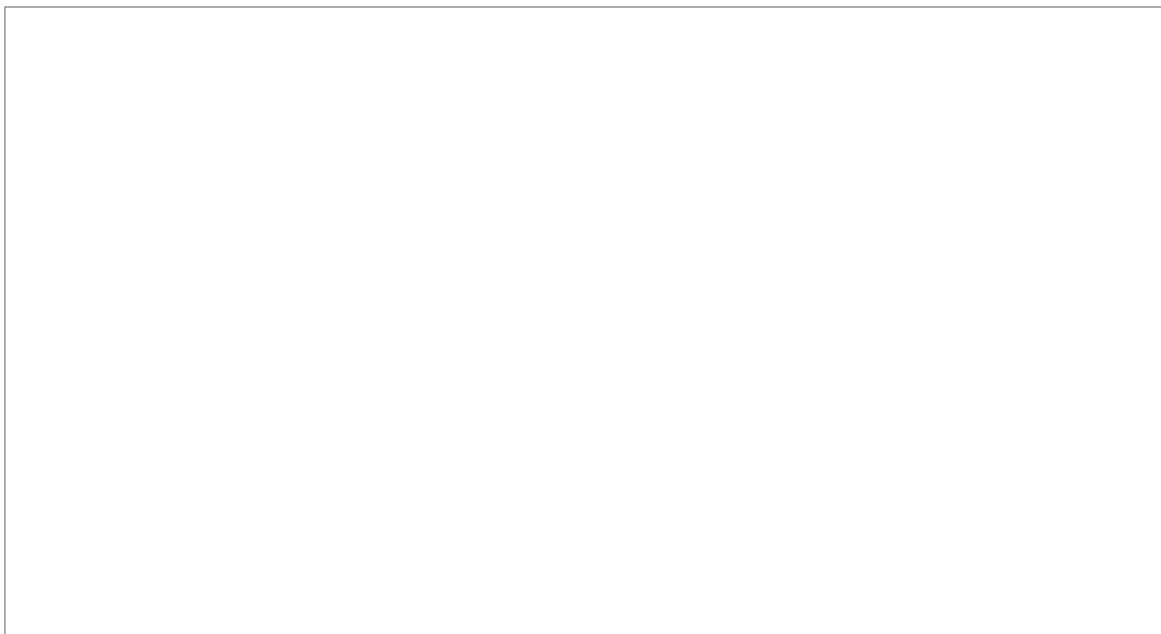
The military council yesterday disbanded political parties, whose functions had been suspended since the military takeover a year ago. The move opens the way for the creation of two or three new parties that are internally more democratic once the constituent assembly--scheduled to convene next Friday--produces a new constitution. The council, however, is unlikely to sanction any new parties until late 1982 or early 1983--after a constitutional referendum and the passage of laws on new parties and elections. [REDACTED]

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The generals appear determined to inject new blood into the political system in an effort to end the bickering that characterized past parliamentary politics, but they may not insist that former Prime Ministers Demirel and Ecevit be permanently excluded from the political process. In any event, the military probably will retain for itself a substantial political role to ensure the continuation of the council's reforms after it steps down. [REDACTED]

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NETHERLANDS: Government Resigns

Prime Minister van Agt's month-old center-left government fell yesterday following disputes between the coalition partners over budget proposals. Queen Beatrix would like the three-party government to continue in office and is likely to retain van Agt in a caretaker capacity and appoint a respected political figure to try to find a compromise economic program acceptable to both van Agt and Labor Party leader den Uyl. A formula to hold the coalition together probably will be found because most Dutch politicians do not want new elections now and because Labor leaders are reluctant to give van Agt a chance to form a government without them.

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SENEGAL - THE GAMBIA: After the Coup

Senegal is pushing for a political union with The Gambia by the end of the year as the price for restoring the Jawara government to nominal power after the coup attempt in July by Marxist rebels. Tentative plans envision a loose confederation that initially would preserve each country's identity and government. The Senegalese Army, which continues to keep order in Banjul, has absorbed loyalist remnants of The Gambia's paramilitary police as a first step toward integration.

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Complete integration, however, may take years. Gambian elites believe a merger would cost them considerable political and economic power. In addition, there are distinct linguistic and cultural differences-- Senegal is French-speaking and The Gambia is a former British possession. France, which maintains a major naval base in Senegal, and the UK have quietly endorsed the idea as a positive development for regional security and Western interests.

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